



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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CITY ATTORNEY CALLS FOR JOINT AUDITS OF CITY AND CITY'S PENSION PLAN

San Diego, CA: Warning that the City is making a critical mistake, San Diego City Attorney Michael Aguirre is calling for a unified audit of the 2003 and 2004 financial statements of both the City and the City's pension plan.

Under the current approach, City and pension officials have elected to use different accounting firms to conduct the audits of the City's financial statements and those of the City's pension plan, known as the San Diego City Employees' Retirement System (SDCERS).

The City issues an annual comprehensive financial statement that also includes the financial information from SDCERS. The City pension is one of the City's major funds and directly impacts the City's credit rating.

"We can reduce the risk of issuing material false financial statements by having a single firm conduct each year's audits," said Aguirre.

The City is using the firm KPMG for its 2003 audit while SDCERS is using Caporicci & Larson. For the 2004 audits the City has retained Macias, Gini & Co but SDCERS is using the small Bakersfield accounting firm of Brown Armstong.

"It is unforgivable for the City to use multiple firms to conduct the 2003 and 2004 audits of the City and the City's pension plan's financial statements," said Aguirre. "A joint and comprehensive audit would expedite the City's return to fiscal soundness."

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